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theory" are amusing. Why Ricardo should be required to have foreseen and refuted the fallacies which developed a century later any more than Adam Smith's works should be searched for a refutation of Marx theories, or a confirmation of the Austrian theory of value?

The chapter on the foreign exchanges is interesting and well put. But we may wonder whether the author's view that parity can be restored mainly by increased production and exports is correct. Until the currency system is restored and the outstanding treasury bills reduced it seems doubtful whether a favorable balance of trade alone will bring back the gold pound sterling.

The conclusion is that the war has left England's one-time nearly perfect system of finance in some disorder. "The perfection of this (pre-war) financial machinery lay in its automatism. That automatic action has ceased." The market holds £m 1,000 of treasury bills, and that puts the Bank of England at the mercy of the market. Then there are still £m 335.4 of currency notes outstanding. It will require strenuous taxation, strenuous economy, and a great sacrifice of "the enjoyment of indolence" on the part of the people to restore to Great Britain the old time soundness of her financial system.

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#### NEW BOOKS

ALLIX, E. *Traité élémentaire de la science des finances et de législation financière française.* Fourth edition. (Paris: Arthur Rousseau. 1921.)

ALVERSON, L. T. *Digest of American income tax cases.* (New York: Baker, Voorhis & Co. 1921. Pp. viii, 453.)

DEDE, E. *Die neuen Reichssteuern.* (Leipzig: Teubner. 1921. Pp. 100. 3.50 M.)

FRYE, R. *The income and other federal taxes as affected by patents, trademarks, copyrights and goodwill.* (Chicago: Gunthorp-Warren Printing Co. 1921. Pp. xii, 331.)

HOLMES, G. E. *1921 supplement to federal income tax, war-profits and excess-profits taxes, including stamp taxes and capital stock tax.* (Indianapolis: Bobbs-Merrill. 1921. Pp. xxiv, 539.)

KAHN, O. H. *The American "man in the street" and the allied debt. A letter to the London Times.* (New York: Committee of American Business Men, 354 Fourth Ave. 1921. Pp. 15.)

LÉVY, B. G. *L'initiation financière.* (Paris: Librairie Hachette. 1921.)

MCCALEB, W. F. *The public finances.* (New York: Harper. 1921. Pp. 267. \$2.50.)  
This book published under the auspices of the Doheny Foundation relates to Mexico.

NORMAND, G. *La mort des octrois.* (Paris: Librairie Perrin. 1921. 5 fr.)

PIGOU, A. C. *A capital levy and a levy on war wealth.* World of today series no. 4. (New York: Oxford Univ. Press. 1921. \$1.)

POMMIER, H. *La liquidation financière de la guerre.* (Paris: Imp. des Assureurs. 1921.)

RESPONDEK, E. *Die Reichsfinanzen auf Grund der Reform von 1919-20.* (Berlin: Vereinigung Wissensch. Verleger. 1921. Pp. 277. 28 M.)

REX, G. M. *Federal taxes on income and profits under the Revenue act of 1918 pertaining to corporations, estates, trusts and partnerships.* (Providence, R. I.: Author. 1920. Pp. xii, 124.)

ROSSMOORE, E. E. *Federal corporate income taxes.* (New York: Dodd, Mead. 1921. Pp. 338. \$7.50.)

TERHALLE, F. *Steuerlast und Steuerkraft.* (Jena: Fischer. 1921.)

WALTER, A. *School finances of Monterey Co., California: and the crisis in education.* (Salinas, Cal.: Monterey Co. Teachers' Club. 1921. Pp. 30.)

WEBB, S. *Grants in aid: a criticism and a proposal.* Studies in economics and political science. No. 24 in the series of monographs by writers connected with the London School of Economics and Political Science. New edition, revised and enlarged. (London: Longmans. 1920. Pp. 145.)

The first edition of this polemic essay, published in 1911, was reviewed in the AMERICAN ECONOMIC REVIEW, vol. II, no. 3, September, 1912, p. 686. (A misprint making "child nurture" read "child nature" mars that review.) The revision consists in bringing the comparative data used down to 1920, and in urging that the reforms advocated, and under consideration when the war broke out, be taken up again and put through.

The book discusses a problem of local government in England, is addressed to Englishmen and presumes for its understanding a knowledge of local history and institutions which few but the natives of that country possess.

A "Grant in Aid" (printed uniformly with initial caps) is an appropriation by Parliament from national funds to some Local Government usually to assist that government in some specified local activity. Sometimes there is and sometimes there is not a string tied to it. Thus in the case of the appropriations for the support of the constabulary the local government must, to receive assistance, keep its local police force up to a standard of "adequacy and efficiency" prescribed by the Home Office. If inspectors sent out from that office find the force not up to standard, as to numbers, stations, personnel, and even pay, the grant may be withheld. But many other appropriations are handed over without supervision.

The main thesis is that Grants in Aid should not only be centrally supervised but the whole system extended, because "they furnish the only practicable method, consistent with local autonomy, of bringing to bear upon local administration the wisdom of experience, superiority of knowledge, and breadth of view which, as compared with the administrators of any small town or any rural area, a central executive department cannot fail to acquire, for the carrying into effect of the general policy which Parliament has prescribed." It is assumed, without argument, that this is such a blessing that it is well that the national government has already

"bought" the rights of inspection, audit, supervision, initiative, criticism, and control, in respect of one local service after another" and that after selling their birth rights in this shameless fashion it will still be possible for local governments to have a certain amount of local autonomy, if none of self-respect. It is difficult to see how they can have either. The further excuse for this system is one familiar enough, unfortunately, in America, namely, that as between the several local governments great needs exist where there are little means and that national aid is necessary to "equalize" opportunities.

It is very clearly shown that the system of Grants in Aid is politically too strongly entrenched in Great Britain to be removed, that there are abuses, that the cost has trebled since 1911, and that even the constabulary have doubled in number in proportion to population under this nutritive system, which now costs £m 65 per annum. If it cannot be extirpated it would seem wise to put it in order. But when Mr. Webb commends (p. 5) such a system to Americans for use in the United States to displace what he calls our "Anarchy of Local Autonomy" (the caps are his) he must have overlooked the "pauper counties" of the South and elsewhere which receive more money in aid than they raise themselves, the undermining of the old school district by state subsidies and other notorious evils. He fails to appreciate the dangers to a self respecting, healthy system of local government on which the very life of democracy depends, that lurk in national and state appropriations buying from the local government their right to muddle along if they can do no better, but yet to enjoy, what is far more precious certainly than bureaucratic efficiency, the blessings of liberty. The general conclusions one draws from Mr. Webb's argument is that the evils he would correct are only symptoms of a greater disease. One gathers from his book that local government in England is suffering from pernicious anaemia due to a diet of inspection, supervision, criticism and control served up in too rich a butter sauce of grants in aid.

C. C. P.

*The Corporation Trust Company's 1921 war tax service.* (New York: Corporation Trust Company. 1921. Pp. 832. \$25.)

*Digest of treasury decisions relating to internal revenue, during the period from Sept. 9, 1916, to Dec. 31, 1920.* (Washington: Supt. Docs. \$1.)

*Emergency tariff act of 1921.* (Boston: National Shawmut Bank. 1921. Pp. 25.)

*Federal income tax and its relation to real property.* (New York: Real Estate Board, 217 Broadway. 1921. Pp. 96.)

*Fifty points on the income tax for the individual.* (Providence, R. I.: R. I. Hospital Trust Co. 1920. Pp. vi, 41.)

*Final report of the committee on new sources of revenue.* Doc. 34. (Boston: City Record. 1921. Pp. 42.)

*Income tax primer; revised January 1, 1921.* Prepared by the Bureau of Internal Revenue. (Washington: Supt. of Docs. 1921.)

*Handbook of customs procedure at Shanghai.* (Shanghai: Kelly & Walsh, Ltd. 1921. Pp. 300. \$5.)

*Marine insurance clauses.* (New York: N. A. Phemister Co., 42 Broadway. 1920. Pp. iv, 152. \$3.)

*Proceedings of the second National Industrial Tax Conference.* Special report no. 17. (New York: Nat. Indus. Conference Board. 1921. Pp. vi, 200.)

## Population and Migration

### NEW BOOKS

ABBOTT, G. *The educational needs of immigrants in Illinois. The immigrant and coal mining communities of Illinois.* Bulletin of the Immigrants Commission, nos. 1, 2. (Springfield, Ill.: Dept. of Registration and Education. 1920. Pp. 37, 43.)

DRACHSLER, J. *Democracy and assimilation: the blending of immigrant heritages in America.* (New York: Macmillan. 1920. Pp. xii, 275. \$3.)

The nucleus of this book is a discussion of the results of the examination of a hundred thousand marriage records of New York City, a study of much value. About one in seven of these represents an intermarriage, and among the intermarriages persons of the first and second generation generally mate with others of their respective generations. The term intermarriage is used in a sociological rather than an ethnical sense, with reference to social assimilation rather than race mixture, but even when this qualification is made, the figures seriously need further interpretation; the marriage, for example, of a German from Austria with a German from Hungary or of a Swiss Italian with a Piedmontese Italian having a significance almost negligible beside that of a Lombard-Bavarian intermarriage.

There is a general study of assimilation. The author's recommendations for an immigration policy comprise selection, distribution, and incorporation. Of incorporation there should, he says, be much, but it should not go beyond a certain point, since some peoples can be most useful by retaining their group fellow-consciousness; of distribution there should be a great deal. Restriction should give way before selection, which plainly is not intended to be inspired by a desire to reduce numbers generally. The author steers clear of any economic emphasis, but the reviewer retains two doubts, which he believes important: (1) whether a program of distribution and incorporation would not be very costly, especially if the foreign-born were not to be given preferential treatment over the more backward native-born (rural folk, negroes, etc.); (2) whether active distribution and incorporation will not enormously stimulate further immigration into the country (the author would not check this by a frankly restrictive policy) which in turn would require greatly increased expenditure for distribution and incorporation. R. F. FOERSTER.

YULE, U. *The fall of the birth-rate. Paper read before the Cambridge University Eugenics Society.* (Cambridge, Eng.: University Press. 1920. Pp. 43.)

*Annual report of the Commissioner General of Immigration, fiscal year ended June 30, 1920.* (Washington: Bureau of Immigration. 1920. Pp. 454.)